

Date Mailed February 5, 1998

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the City of Eagle River,
Vilas County, as a Water Public Utility,
for Authority to Increase Water Rates

1710-WR-104

**NOTICE OF INVESTIGATION, TELEPHONIC HEARING,
AND ASSESSMENT OF COSTS**

On September 29, 1997, the City of Eagle River, Vilas County, (applicant), as a water public utility, filed an application with the Public Service Commission (Commission) under ss. 196.03, 196.20, and 196.37, Stats., for authority to increase water rates.

Applicant requests a rate increase which will produce a 7.25 percent rate of return on net investment rate base. Applicant cites increases in operating expenses and the value of its utility plant, since its last rate case in 1992, as the primary reasons for needing this increase.

Applicant has proposed an overall increase in rates of 26 percent. If applicant's proposal is approved, an average residential customer's bill would increase 30 percent, from \$11.07 to \$14.35, monthly. (An average residential customer is one using 500 cubic feet of water monthly.) This proposed increase is approximately \$0.11 per day.

The utility is responsible for notice to its customers of the filing of the above application with the Commission, and, pursuant to s. PSC 2.73, Wis. Adm. Code, for producing proof of such notice at the hearing.

This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

NOTICE IS HEREBY GIVEN that the Commission will hold a public hearing on March 5, 1998, at 9:30 a.m. This will be a telephonic hearing involving two sites. The applicant will provide a room for customer participation in the City Hall located at 525 East Maple Street, Eagle River, Wisconsin. Customers may call the utility at (715) 479-8121 for further details on the location of the hearing room. This building is accessible to people in wheelchairs. Commission staff will participate

from the Lake Superior Room in the Public Service Commission Office Building, 610 North Whitney Way, Madison, Wisconsin. This building is accessible to people in wheelchairs through the Whitney Way first floor entrance (lobby). Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact Richard Teslaw, General Services Assistant, at (608) 267-9766.

NOTICE IS FURTHER GIVEN that this matter is deemed to be a Class 1 proceeding as defined in s. 227.01(3)(a), Stats.

NOTICE IS FURTHER GIVEN that the Commission deems it necessary in order to carry out its duties herein to investigate all books, accounts, practices, and activities of the applicant. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such investigation will be assessed against and collected from the applicant, in accordance with the provisions of s. 196.85, Stats., and Ch. PSC 5, Wis. Adm. Code.

If there are any questions regarding the hearing scheduled in this notice, please call Nancy Anthony, Examining Division at (608) 266-1261.

Other questions regarding this matter may be directed to Thomas McDonald at (608) 266-7236.

Dated at Madison, Wisconsin, _____

For the Commission.

Joyce A. Narveson, Administrator
Division of Water, Compliance and Consumer Affairs

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